

Internet New Zealand  
Consolidated Financial Statements  
For the Quarter Ended 30 June 2016

**Internet New Zealand  
Compilation Report  
For the Quarter Ended 30 June 2016**

**1. Scope**

On the basis of information you provided, we have compiled the Financial Statements, in accordance with Service Engagement Standard No. 2: Compilation of Financial Information, for Internet New Zealand. These are special purpose financial statements.

**2. Responsibilities:**

You are solely responsible for the information contained in the Financial Statements and have determined that the Financial Reporting Act 1993 used is appropriate to meet your needs and for the purpose that the Financial Statements were prepared. The Financial Statements were prepared exclusively for your benefit. We do not accept responsibility to any other person for the contents of the Financial Statements.

**3. No Audit or Review Engagement Undertaken:**

Our procedures use accounting expertise to undertake the compilation of the Financial Statements from information you provided. Our procedures do not include verification or validation procedures. No audit or review engagement has been performed and accordingly no assurance is expressed.

**4. Disclaimer of Liability:**

Neither we nor any of our employees accept any responsibility for the reliability, accuracy or completeness of the information from which the Financial Statements have been compiled nor do we accept any liability of any kind whatsoever, including liability by reason of negligence, to any person for losses incurred as a result of placing reliance on the compiled financial information.

Deloitte  
Wellington NZ  
9-Aug-16

**Internet New Zealand  
Consolidated Income Statement  
For the Quarter Ended 30 June 2016**

	Group		INZ		NZRS		DNCL	
	Qtr	YTD	Qtr	YTD	Qtr	YTD	Qtr	YTD
Income	2,494,890	2,494,890	99,910	99,910	2,491,757	2,491,757	467,460	467,460
Other Income	35,000	35,000	0	0	25,000	25,000	10,000	10,000
Dividends Received	0	0	0	0	0	0	0	0
Interest Received	84,078	84,078	5,965	5,965	77,814	77,814	299	299
Managed Funds Income	11,393	11,393	11,393	11,393	0	0	0	0
<b>Total Income</b>	<b>2,625,361</b>	<b>2,625,361</b>	<b>117,268</b>	<b>117,268</b>	<b>2,594,571</b>	<b>2,594,571</b>	<b>477,759</b>	<b>477,759</b>
Less Expenses								
Direct Expenses	182,468	182,468	0	0	649,928	649,928	0	0
Other Expenses	1,962,115	1,962,115	769,604	769,604	901,767	901,767	387,521	387,521
<b>Total Expenses</b>	<b>2,144,583</b>	<b>2,144,583</b>	<b>769,604</b>	<b>769,604</b>	<b>1,551,695</b>	<b>1,551,695</b>	<b>387,521</b>	<b>387,521</b>
<b>Net Profit (Loss) Before Tax</b>	<b>480,778</b>	<b>480,778</b>	<b>(652,336)</b>	<b>(652,336)</b>	<b>1,042,876</b>	<b>1,042,876</b>	<b>90,238</b>	<b>90,238</b>
Less Provision for Tax	0	0	0	0	0	0	0	0
<b>Net Profit (Loss) After Tax</b>	<b>480,778</b>	<b>480,778</b>	<b>(652,336)</b>	<b>(652,336)</b>	<b>1,042,876</b>	<b>1,042,876</b>	<b>90,238</b>	<b>90,238</b>

**Internet New Zealand  
Statement of Movements in Equity  
For the Quarter Ended 30 June 2016**

	Group		INZ		NZRS		DNCL	
	Qtr	YTD	Qtr	YTD	Qtr	YTD	Qtr	YTD
Opening Equity	9,202,980	9,202,980	5,693,334	5,693,334	3,169,389	3,169,389	340,257	340,257
Plus:								
Shares Subscribed	0	0	0	0	30,000	30,000	580,000	580,000
Net Profit (Loss) After Tax	480,778	480,778	(652,336)	(652,336)	1,042,876	1,042,876	90,238	90,238
Less:								
Dividend Paid	0	0	0	0	0	0	0	0
Closing Equity	9,683,758	9,683,758	5,040,998	5,040,998	4,242,265	4,242,265	1,010,495	1,010,495

**Internet New Zealand  
Balance Sheet  
As at 30 June 2016**

	Group	INZ	NZRS	DNCL
Current Assets				
Cash and Cash Equivalents	13,856,780	1,979,074	10,823,647	1,054,059
Managed Funds	2,460,801	2,460,801	0	0
Other Current Assets	1,302,506	70,998	1,208,099	23,409
Total Current Assets	<u>17,620,087</u>	<u>4,510,873</u>	<u>12,031,746</u>	<u>1,077,468</u>
Property, Equipment & Software	926,886	254,530	601,329	71,027
Intangible Assets	0	0	0	0
Investments				
Shares and Loans	0	610,000	0	0
Total Assets	<u>18,546,973</u>	<u>5,375,403</u>	<u>12,633,075</u>	<u>1,148,495</u>
Less Liabilities:				
Deferred Income	8,084,041	0	8,084,041	0
Trade and Other Payables	779,174	334,405	306,769	138,000
Total Liabilities	<u>8,863,215</u>	<u>334,405</u>	<u>8,390,810</u>	<u>138,000</u>
Net Book Value of Assets	<u>9,683,758</u>	<u>5,040,998</u>	<u>4,242,265</u>	<u>1,010,495</u>
Represented By:				
Total Equity	<u>9,683,758</u>	<u>5,040,998</u>	<u>4,242,265</u>	<u>1,010,495</u>

**Internet New Zealand  
Statement of Cashflows  
For the Quarter Ended 30 June 2016**

	Group	
	Qtr	YTD
<b>Cash Flows From Operating Activities</b>		
Cash was provided from:		
Receipts from customers	2,596,419	2,596,419
Interest Received	84,078	84,078
Managed Funds Income	11,393	11,393
Total Received	<u>2,691,890</u>	<u>2,691,890</u>
Cash was distributed to:		
Payments to Suppliers and Employees	2,073,991	2,073,991
Total Payments	<u>2,073,991</u>	<u>2,073,991</u>
Net Flows From Operating Activities	<u>617,899</u>	<u>617,899</u>
<b>Cash Flows From Investing &amp; Financing Activities</b>		
Cash was distributed to:		
Purchase of Property, Equipment & Software	61,322	61,322
Net Cash Flows From Investing & Financing Activities	<u>(61,322)</u>	<u>(61,322)</u>
Net Increase Decrease in Cash & Cash Equivalents	556,577	556,577
Plus Opening Cash	15,761,004	15,761,004
<b>Closing Cash Carried Forward</b>	<u><u>16,317,581</u></u>	<u><u>16,317,581</u></u>
<b>Closing Cash Comprises</b>		
Cash & Cash Equivalents	13,856,780	13,856,780
Managed Funds	2,460,801	2,460,801
	<u>16,317,581</u>	<u>16,317,581</u>
<b>Cash Flow Reconciliation</b>		
Net Profit (Loss) After Tax	480,778	480,778
Plus (Less) non cash items		
Depreciation	179,552	179,552
Subtotal	<u>660,330</u>	<u>660,330</u>
Movement in Working Capital		
(increase) decrease in receivables	276,454	276,454
increase (decrease) in payables	(385,414)	(385,414)
increase (decrease) in deferred income	66,529	66,529
Net Cash Flows From operations	<u>617,899</u>	<u>617,899</u>